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ABSTRACT

This document relates specifically to the problem of requesting, justifying, and receiving state general funds and construction bond dollars as required by the 13 community colleges in Oregon. The problem is to determine a method of distribution of state general fund dollars and construction bond dollars that will meet the currently projected enrollments in the community colleges without creating empty classrooms. A funding pattern for the 1975-1977 biennium is recommended, with consideration given to modifying the Florida funding model to meet the Oregon requirements. (Author/DB)

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A FUNDING PATTERN

FOR

OREGON COMMUNITY COLLEGE

CONSTRUCTION

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PREFACE

This monograph is one of a series developed as part of the in-service program sponsored by the FSU/UF Center for State and Regional Leadership for State Directors of Community/Junior Colleges or their designees. Supported in part by a grant from the W. K. Kellogg Foundation, this in-service program is designed to enable an official to study a problem of significance to his state or to record proven procedures and techniques used in a long-range activity of that state which would offer potential applicability for other states. Dr. Carroll M. deBroekert, Associate Superintendent of Public Instruction in Oregon and the chief state official responsible for community colleges, sought and was awarded an in-service grant during the academic year 1973-74. Dr. deBroekert was the first state official to propose a team approach to the study. His wife, Betty-Coe deBroekert, traveled to Washington, D. C. and Florida with Carroll and participated in development of this document.

While the monograph is primarily descriptive, the FSU/UF Center for State and Regional Leadership felt it worthy of publication primarily for other states which may be in the early evolutionary stages of new funding patterns. I wish to acknowledge with deep appreciation the cooperation and editorial assistance of Dr. James L. Wattenbarger of the University of Florida and Co-Director with me of the Center for State and Regional

Leadership. The Center is also committed to pre-service training of future state officials and action research requested by state agencies throughout the nation. A series of planned experiences for doctoral students preparing to serve in state agencies bring the University of Florida and Florida State University groups together regularly.

Dr. Fran[illegible] Brown, a recent Kellogg Fellow who completed the doctoral program at FSU and will assume a position with the Alabama Commission on Higher Education, directed the printing and publications aspect of producing this monograph. We appreciate the work he has done as well as the assistance provided by Miss JoAnne Craig, another doctoral student in the program who will assume responsibility for publications at the Center for the new academic year.

Louis W. Bender, Director and
Professor of Higher Education

FOREWORD

This document specifically relates to the problem of requesting, justifying, and receiving state general funds and construction bond dollars as required by the thirteen community colleges in Oregon. The problem at this time is singlefold:

> To determine a method of distribution of state general fund dollars and construction bond dollars which will meet the currently projected enrollments in the community colleges without creating empty classrooms.

While this paper relates to a portion of the historical development of the community college funding patterns in Oregon, it recommends a funding pattern for the 1975-1977 biennium. Consideration has been given to the Florida funding model which might be modified to meet the Oregon requirements.

We appreciate the opportunity which was made possible by the W. K. Kellogg Foundation to visit the University of Florida, the Division of Community Colleges, and Florida State University, where we conducted most of the research for this study. Dr. Lee Henderson and Mr. Thomas Baker of the Florida Division of Community Colleges were most helpful in providing background information. Mr. Ted Morford, doctoral student at FSU, shared his ideas during the initial stages of this monograph.

Dr. Lou Bender and Dr. James Wattenbarger both provided invaluable assistance in analyzing the construction funding formula alternatives.

C. M. deBroekert

Betty-Coe deBroekert

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INTRODUCTION

Historically, it has been assumed that community college construction financing will take care of itself if the state institutions continue to plan, prepare requests, and enroll a greater number of students each year.

Community college construction reimbursements in Oregon traditionally have been allocated by the Ways and Means committee of the Oregon Legislature to the thirteen community colleges on the basis of the expected second year of the biennium full-time equivalent students (FTE).

When the 1973 Oregon Legislature was discussing the 1973-1975 biennial budget for community college operation and construction reimbursement, much thought was given to the future of all community college enrollment trends. The common thread that began to appear was that as higher education enrollments would begin to decline, the community college enrollments would tend to level-off or increase at a much slower rate than the enrollments had during the 1961-1973 period. It was felt by many legislators that the normal reimbursements based on FTE would not provide the construction dollars necessary for completion of community college campus buildings. The 1973 Oregon Legislature requested the Community College Division of the State Board of Education to conduct a study of the apparent alternatives available for financing community college construction and report the conclusions of the study to the 1975 Oregon

Legislature with recommendations for funding future construction

Oregon community college construction reimbursement patterns are considerably higher than those of the majority of other states. In theory, the Oregon statutes give policy direction for the state to provide sixty-five percent of the construction costs for the local community colleges. The remaining construction costs are required to be provided by the local colleges through local tax efforts. The state's sixty-five percent would be allocated from state general fund dollars and bonds approved by the state's voters in the mid-1960's. The general fund dollars and the bond dollars are split on a 50-50 percent basis.

To determine the specific line-item appropriation for each community college for the ensuing biennium, the legislature approves the State Board's projections of the second year of the biennium's full-time equivalent students at each community college and awards dollars at a specific rate for the FTE who have not previously been funded in past appropriations.

The nature of the problem which the Oregon Legislature and the State Board of Education has been struggling with is if one were to continue to fund construction on the second year of the biennium during a time period when minimal FTE growth is anticipated, what alternatives are available for the community college construction funding patterns? The basis of this discussion will center on state funding patterns for community

college construction in Oregon--past and present, and alternative funding proposals for the future.

In addition to the directives contained in the construction legislation adopted during the 1973 Legislative Session, the State Board of Education was directed to present a revised plan for future state participation in community college capital construction to the 1975 Legislative Assembly.

CHAPTER ONE

NATIONAL SCENE

Nationally, financing of community college construction has been given little attention, except indirectly through long-range planning, community college plan review, or monitoring of construction projects management practices. In the review of selected publications found in the ERIC searches, there is a dirth of reference materials. L. H. Arney in the publication, "State Patterns of Financial Support for Community Colleges," discusses information collected on the patterns of community college finance in forty-two states. The Arney report found significant differences in public responsibility for financing community colleges. Arney urges that a proper balance of federal, state, and local financial sources be established; operational control should be at the appropriate organizational level to encourage achievement of the community colleges' goals; and financial assistance should come from all sources of government to ensure a balance in the fiscal support of these institutions. The primary focus of the report, however, treats the fiscal operation side of the ledger, not the capital construction program.

Apparently, it is assumed that the capital construction projects will be financed either from federal, state, or local resources and very minor attention is directed to the fiscal aspects of the capital construction side of community college financing.

several articles appearing recently in trade and professional publications have discussed the construction costs for community colleges, suggesting alternatives to costly new building programs, including phase construction and shared occupancy. Each of the articles describes the planning of buildings, the review of specifications, the active construction process, and the monitoring of that process, rather than the source of financial support for the community college construction programs.

CHAPTER TWO

BACKGROUND OF COMMUNITY COLLEGE CONSTRUCTION PROGRAMS

As a result of the enactment of Senate Bill 422 by the 1961 Oregon Legislature, $850,000 was allocated to provide "Educational Centers" or "Community College" buildings. The reimbursement limitation established by the bill was "75 percent of the actual construction of the building project including fees." In that same law, no FTE limitation was set which meant the construction money was divided among five institutions without benefit of established formula on a per student basis.

Under Senate Bill 34 (Chapter 483), the 1963 Legislature amended ORS (Oregon Revised Statutes) 341.925 to reduce the construction reimbursement level from "75 percent" to "65 percent" and eliminated the existing restriction on "built-in" or stationary equipment to read simply "equipment." In 1963, there was still no FTE limit and both construction and equipment appropriations came from the state general funds.

In 1964, (May 15) Oregon voters approved an amendment to the Oregon Constitution which authorized the sale of bonds for the construction of community college facilities. By this voter action, five million dollars was initially provided to the community colleges for construction of buildings.

The 1965 Legislature, under Chapter 100 "Big Ed," Section 341, eliminated the term "Education Center" from the community

college legislation. The "criteria for allowable spaces and facilities" was to be approved by the State Legislature's Emergency Board, a legislative body with fiscal power to appropriate funds between legislative sessions.

Senate Bill 99, enacted by the 1967 Legislature as Chapter 433, Oregon laws, inserted an FTE dollar limitation under Section 10 of that chapter. The $2,400 per FTE limitation cost figure with a $1,560 state reimbursement limit was initiated on January 1, 1967. The 65 percent limit was applied to the $2,400 which established the $1,560 state reimbursement figure. This figure became the amount to be applied to all unhoused FTE for determination of future state reimbursements. This bill also established, for the first time, the concept of prior credit or unmet obligation for construction purposes. (See Appendix A) In 1967, the state provided $3,610,000 for construction reimbursement with state issued bonds.

Under House Bill 2036, the 1969 Oregon Legislature provided $6,770,400 for community college construction and did nothing to alter the legislation for community college construction. The construction cost figure was revised up to $3,200 effective January 1, 1971, making the state reimbursement rate for construction $2,080 per FTE housed. This was an increase of $520 per FTE over the 1967 rate of $1,560.

A HISTORY OF THE APPLICATION OF THE COMMUNITY COLLEGE CONSTRUCTION LAW

Full-time equivalent student reimbursements were first introduced into the community college construction formulas through Senate Bill 99 during the 1967 Legislative Session. In addition, Senate Bill 99 required each of the community colleges to file a long-range plan with the State Board of Education. The long-range plans would project the number of full-time equivalent students expected on each campus, the initiation of new programs, and the anticipated building needs on each campus. It appeared evident that the community colleges were forced to prepare long-range plans with no assurance of adequate state level funding to support those projections.

The community colleges, as new institutions, faced two basic problems. First, they had to provide buildings to convey a positive, solid image to the public. While the electorate was generally supportive of the bond issues to assist in initial campus construction, there was no assurance the public would remain positive or financially supportive over a period of years. Secondly, while the state asked the community colleges to plan ten years in advance, the Legislature put a dollar lid on construction that only projected state reimbursement funding for two years, creating an eight-year differential in funding patterns with no assurance of catching up.

CHAPTER THREE

THE CURRENT FACILITY CONDITION

Two community colleges (Rogue and Chemeketa) have rapidly growing student populations. Portland Community College will soon add a major new campus (Rock Creek). The construction of facilities is nearly complete on some outlying community college campuses, with the exception of space needed for new programs or completion of service facilities on some of the smaller campuses. The more metropolitan community college districts have additional building needs.

There appears to be a trend toward accommodating students at centers apart from the main campus. This is particularly true with evening school programs which often need more space than day programs. The present emphasis on energy conservation may accelerate this trend toward more efficient use of available spaces.

New programs that require additional space of a unique and costly nature appear to be accepted slowly by the community colleges. Wherever possible, the institutions are utilizing existing spaces available in the community or constructing multi-use facilities.

In addition to an appropriation of $8,400,000 for community college construction of buildings contained in House Bill 5096, 1973 Legislative Session, an appropriation of $2,182,437

was made from the general fund and $2,182,437 was made from Article XI-G Bond sale to finance further community college construction. The 1973 legislation contained in House Bill 5099 was for the purpose of meeting the state's unmet obligation for existing community college approved construction costs.

When the legislature appropriated for the 1973-1975 biennium, they included all unclaimed construction costs, as outlined in an auditor's report, as that portion of the current state unmet obligation on capital construction projects. It was a further action of the legislature to adopt a twelve percent increase in the capital construction formula rate used for computation of the state share of construction costs for 1973-75 over the previous biennium's appropriation rate. This increased the state reimbursement share to $2,330 per FTE.

CHAPTER FOUR

THE PRESENT CONDITION OF THE COMMUNITY COLLEGE CONSTRUCTION LAWS

The 1973 Oregon Legislature, under House Bill 5096, authorized $8,033,570 for facility construction. One-half was provided from the state general fund, and the other half from bond sales. This amount is to be expended during the 1973-1975 biennium.

House Bill 5096 set the construction rate at $3,584 per student. This legislation equals $2,330 reimbursement for each FTE housed at the 65 percent rate, but froze unmet obligation at the July 1, 1973, rates and dollar figures per community college.

The state currently has unmet obligation in the amount of $13,395,050, which is still recognized in the statutes, and which was accrued before the legislative freeze. This obligation is based on assumption by the state of 65 percent of the cost of all capital expenditures except those specifically excluded from 1965 to 1973. Those exclusions were established as the cost of land acquisition, site development, student or faculty housing, or spectator sport facilities for athletics.

The use of FTE figures as a limitation to reimbursement has been well spelled out in the law. When coupled with the 65 percent of cost of construction limitation, it gives a clear picture of the state's intent to accept the lower building

construction figure as the real obligation of the state.

Again, the problem facing the State Board of Education and its staff is the need to present to the 1975 Legislature several alternatives and formal recommendations on community college construction formulas for the next biennium.

PRESENT PATTERN OF REIMBURSEMENT

Oregon's pattern of community college construction reimbursement is based in legislative and State Board of Education policy.

> "The policy of the Legislative Assembly is to assume a financial obligation in the name of the State of Oregon to the extent of sixty-five percent of approved construction costs on projects defined in Oregon Statutes. Approval of such costs shall be determined by the State Board of Education, subject to the requirement that the total obligation incurred by the state shall not exceed the dollar amount necessary to construct facilities for the number of full-time equivalent students designated in the long-range plan of the community college as submitted to and approved by the State Board of Education. In computing the maximum obligation to be incurred, the State Board of Education shall divide the dollar amount of construction finally approved on each project by the state approved construction rate applicable at the time of awarding the construction contract for the project. The resultant figure shall represent the number of full-time equivalent students to be provided for in that project. The total of full-time equivalent students to be provided for in all projects approved by the State Board of Education for any single community college, shall not exceed the maximum number of full-time equivalent students estimated in the long-range plan of that community college submitted to and approved by the State Board of Education.
>
> "In any biennium, such funds as are appropriated by the Legislative Assembly for construction at the community college shall be allocated on a line-item basis, recognizing the number of full-time equivalent students for which the state has provided facilities at the time the appropriation is made in relation to the number of full-time equivalent students projected by the institution and accepted by the Legislative Assembly for the second year of the biennium for which the appropriation is made. The line-item allocation to each community college

> shall consider the unmet obligation of the state and, insofar as is possible, equalize the percent of full-time equivalent students housed at the various community colleges in relation to the projected full-time equivalent students of the community colleges and during the second year of the biennium."

The fund appropriated for community college construction must be used by the local districts to provide buildings for the administration, instruction, and necessary student facilities of the community college, but must not be used for student or faculty housing or spectator facilities for athletics.

As in most states, the state funds shall be made available only for costs not reimbursed or otherwise funded from federal funds. The state office must keep a continuing record of the unmet obligation, and as soon as possible during the first year of the biennium for which an appropriation has been made, shall cause to be paid to each community college for which a line-item appropriation was made that portion of the appropriation required to satisfy the unmet obligation. The board of education of each community college receiving such funds shall deposit the funds in either the bond interest and redemption fund, or the construction fund to be disbursed as the resolution creating either fund provides. Such funds must not be used to support the operating functions of the community college.

If the line-item appropriation to a community college should exceed that required to pay the unmet obligation, the community college may apply to the State Board of Education for

allocation of such funds to be applied in satisfaction of, or as a portion of, the state's contribution to a new construction project approved by the State Board of Education. If the community college does not make application for such excess funds by June 30 of the first year of the biennium for which such appropriation was made, the State Board of Education, with the approval of the Emergency Board, shall reallocate the funds to those community colleges wishing to make application for new construction funds.

LONG-RANGE PLAN

The board of education of a district operating a community college must submit to the State Board of Education a long-range plan for the development of the community college, including the availability of a suitable site and such other information as the State Board may require. The State Board must reexamine the long-range plan of each community college at least once every five years from the date submitted and shall make such adjustments in the approval of any estimated items as it deems advisable. Any community college may request periodic review by the State Board of the long-range plan submitted by that community college to the State Board.

To maintain the yearly projections of full-time equivalent students, each community college must submit to the State Board of Education for its approval, a yearly projection covering a ten-year period of the number of Oregon resident full-time equivalent students who are expected to enroll in the community college. An FTE is defined as one who carries for three terms, each of which provides for not less than 10 weeks or its equivalent of instruction time:

1. Fifteen term hours per week in lower division collegiate courses or;
2. Twenty clock hours per week of other instruction.

The ten-year projection is then resubmitted to the State Board by July 1 of each even-numbered year.

APPLICATION

The board of education of a community college district applying for funds must submit applications to the State Board of Education. The applications normally contain:

1. A general description of construction proposed for the community college, including such information as the State Board may require in its Administrative Rules.

2. Evidence of the ability to finance costs in excess of state funds available must be included.

3. Itemized estimates of the costs for the proposed construction are to be included with the application.

4. In addition, if the construction project includes purchases of existing buildings, a certified statement of the purchase price and appraisal of the value of each building must be forwarded.

In all cases, the State Board will have authority to determine priorities in the allocation of funds. (See Appendix B)

DETAILED PLANS

The detailed plans of a community college include the following procedures outlined in the Oregon Administrative Rules:

> "If the proposed construction is approved by the State Board, the board of the district shall have prepared detailed plans of the proposed construction which shall be submitted to the State Board along with pertinent construction contract documents, specifications and cost estimates. If the State Board approves the detailed plans, the board of the district may proceed to obtain bids and award construction contracts.
>
> "Upon award of the construction contract, the State Board shall then cause to be set aside an amount equal to 90 percent of the state share of construction costs, the amount appropriated for construction costs, or an amount equal to the district eligibility, whichever is the lesser. This amount shall be disbursed to the district in periodic payments related to the progress of construction as determined by the State Board. If the construction includes the purchase of existing buildings, the State Board, upon approval, shall cause to have paid to the district an amount equal to the state's share of the purchase price, the amount appropriated for the purchase, or an amount equal to the district eligibility, whichever is the lesser.
>
> "If, prior to completion of construction, it is found desirable or necessary to modify the conditions of the contract covering the construction or the specifications, the board of the community college district must submit such modifications to the State Board for approval if the modifications would result in an increase in state funds required to complete the construction.
>
> "Upon completion of construction, the board of the community college district shall provide the State Board with an account of the costs and expenditures of the project. Subject to the availability of funds, the State Board must cause to have paid to the district the remaining amount due the district after allowing for any modification in the original plans."

It should be noted that the board of education of the community college district should also submit such records and reports during the construction period and after completion of any buildings as the State Board may require in its Administrative Rules.

CHAPTER FIVE

ALTERNATIVES AVAILABLE FOR CONSIDERATION

The State Board and the State Legislature have several community college building funding alternatives available for consideration during the 1975-77 biennium. They include:

1. Continuing the present pattern of community college reimbursement for capital construction for the 1975-77 biennium. This construction alternative would require an adjustment in the dollar amount eligible for state reimbursement as projected by the increased costs of construction projects. Based upon percentage increases as outlined in a recent issue of a school construction magazine, a twelve percent increase in the reimbursement formula would not be out of reason for this biennium. Thus, a formula dollar amount of $2,702 per FTE for construction costs would meet the continued pattern of construction reimbursement as projected in the literature. No change in the statutes would be required other than the dollar amount per FTE, which would be preferred by the colleges.

2. Altering the present pattern of reimbursement for community college construction by only

funding State Board or Legislatively approved projects on each community college campus.

This type of action would require moving from the present legislation to a project method of construction on each campus. Rather than an FTE figure for reimbursement the Legislature and State Board would fund a project or projects on each campus. This method of project construction has some merit to some building advocates. It would add building programs to those community colleges facing a leveling of enrollment during the next few years, but which need certain facilities to complete the campus. The principle drawback is that each project would need to be approved by the State Board and by the Legislature. Reviewing construction plans by the Legislature is time consuming and subjects community colleges to undue political pressures which normally could be avoided by having the State Board approve the projects for funding.

3. By altering the law, dropping the requirement for the difference between the FTE already housed and the projected FTE for the second year of the biennium, and repaying the community college district boards for the earned total unmet obligation over one or two biennial sessions.

This method of financing construction would be more in keeping with the local effort which has been put forward

by the community college district patrons who voted for serial levies or bond issues to build campuses at times when the costs were lower than today's prices per square foot.

The principle drawback to this approach of financing community college construction is the requirement that the legislation would need to be altered significantly in order to remove the FTE lid during the second year of the next biennium. Significant modifications in the legislation traditionally require several sessions rather than action occurring during one session of the legislature.

RECOMMENDATION

In order to provide space and realistic reimbursement patterns which will meet the needs of the thirteen individual community colleges in Oregon, a system of financial reimbursement needs to be proposed which will appeal to the local community colleges as well as to the Oregon Legislature. Any proposed legislation should provide both immediate financial results and should project a long-term cost effective construction program which will benefit the colleges as well as the state.

It is recommended that the community colleges continue the present pattern of community college reimbursement for the 1975-77 biennium with the provision that the legislature increase the reimbursement pattern to $2,702 per full-time equivalent student.

It is further recommended that the state continue to return the local share of construction costs by honoring the unmet obligations approved by the state and owed eleven of the thirteen community colleges. This return could be accomplished over one or two biennium depending upon local community college board option. This financial action would not require massive changes in the already existing legislation. It would require minor changes in the working of the reimbursement sections of the legislation to meet the current and projected construction costs increased by inflation.

In summary, the recommendation would continue the present pattern of providing systematic state funding and offering the community colleges continued stability in fiscal and planning matters for the next two to four years.

APPENDIX A

DEFINITIONS

Oregon law provides for the capital construction at community colleges at a rate of reimbursement which is higher than that for community college program operation.

The law clearly defines the aid for construction as being the construction of new facilities, purchase, expansion, modernization, remodeling, or alteration of existing facilities, initial or additional equipment, including planning, engineers', architects', and legal counsels' fees, and all other expenses incidental to construction, but excluding the cost of acquisition of land and site development.

The State Board of Education has further defined the state's participation in the cost of the acquisition of land and site development as not being the purchase of the original site, nor bringing the major utilities and roads to the site eligible for state reimbursement. Site development for colleges has been defined to mean that the state can participate to bring utilities and roads to sites which have already been purchased. Other definitions which would be of value in the study of the amount which community college districts are eligible for credits and advances include:

1. Full-time equivalent student, means the total of Oregon resident full-time equivalent students, as computed

under the provisions of law, enrolled in courses for which the state makes reimbursement.

2. State-approved construction rate, means the following for the period of time indicated:

   A. July 1, 1965, through December 31, 1966, $2,000 per full-time equivalent student;

   B. January 1, 1967, through December 31, 1970, $2,400 per full-time equivalent student;

   C. January 1, 1971, through December 31, 1972, $3,200 per full-time equivalent student;

   D. January 1, 1973, through December 31, 1975, $3,580 per full-time equivalent student.

3. Actual State reimbursement for community college construction is based upon sixty-five percent of the eligible costs as detailed above for each of the respective time periods. State reimbursement is then calculated in the statutes by the following:

   A. July 1, 1965, through December 31, 1966, $1,300 per full-time equivalent student;

   B. January 1, 1967, through December 31, 1970, $1,560 per full-time equivalent student;

   C. January 1, 1971, through December 31, 1972, $2,080 per full-time equivalent student;

   D. January 1, 1973, through December 31, 1974, $2,330 per full-time equivalent student:

4. Approved construction cost means the dollar amount of the construction contract less any portion thereof reimbursed or otherwise funded by federal funds, or that portion of the remainder approved by the State Board of Education, whichever is the lesser, modified by change orders approved by the State Board of Education.

5. State payment, means the dollars paid to date by the state for construction purposes on the approved construction cost of a given project.

6. Full-time equivalent students housed, means the state dollars paid on a given project divided by the state reimbursement rate for construction applicable during the period in which the construction contract on that project was awarded.

7. Full-time equivalent students to be housed, for a community college means the difference between the maximum full-time equivalent students projected in the long-range plan of the community college and the total full-time equivalent students housed on all approved projects at that community college to date.

8. The unmet obligation of the state means the dollar difference between 65 percent of approved construction costs on a project and the state payment to date on that project. A limitation is placed on the unmet obligation of the state at any given point in time to the extent that the full-time equivalent students housed plus the full-time equivalent students to be housed in all approved

projects at the community college must not exceed the maximum number of full-time equivalent students projected in the long-range plan submitted by the community college to and approved by the State Board of Education. The state has not assumed any unmet obligation on projects for which the contract date preceded July 1, 1965; however, the full-time equivalent students housed in such approved projects shall be completed and shall be deducted from the maximum number of full-time equivalent students projected in the long-range plan of the community college. The determination of the number of students housed during this period of time shall be based on the following computation:

The state payments on all approved projects for which the contract award date was between July 1, 1961, and June 30, 1963, shall be divided by $1,500;

The state payments on all approved projects for which the contract date was between July 1, 1963, and June 30, 1965, shall be divided by $1,300.

The resultant figure in each instance shall represent the number of full-time equivalent students housed during that period of time, and the combination of both shall represent the full-time equivalent students housed with state funds prior to July 1, 1965.

APPENDIX B

OREGON BOARD OF EDUCATION - 1974

ADMINISTRATIVE RULES

I

Administration of Aid for Community College Construction Statute

Policy Statement	44-010	(1), (2b), (2c), (3), (4)
State Fund Participation	44-015	(1c)
Institutional Eligibility for State Funds	44-020	
Federal Fund Eligibility	44-025	
Allocation of State Capital Construction Funds	44-035	
Claimed Credit for Previously Incurred Expenditures	44-040	
Fund Allotment Control	44-045	
Space Standards	44-055	
Approval of Site	44-060	
Long-Range Plan	44-065	
Educational Specifications	44-070	

OB
OAR

44-010 POLICY STATEMENT

(1) The Oregon State Board of Education recognizes the legal responsibilities and authority of the local community college board of education to determine the type of community college plant facilities required for the local educational program. The local board's approval is subject to approval of the State Board of Education.

(2) The State Board of Education recognizes its legal responsibility to establish:

(a) Policy, regulations and procedures for the administration of the state aid program;

(b) Criteria for usage, space needs, and facilities design.

(c) Records and information which will assist legislative determination of State aid program fiscal requirements; and

(d) The basis for local policymakers to ascertain the extent of State assistance available for facility development in order that they may determine local requirement and plan effectively for them.

(3) The State Board shall not allocate state funds to a district for the purposes of:

(a) Acquisition of site;

(b) Site development such as clearing, major site grading, bringing major services to the site or development of substitutes therefore upon the site, or other factors which might significantly influence the acquisition of a specific site;

(c) Construction of dormitories;

(d) Construction of spectator sport facilities;

(e) Or for that portion of an auditorium which exceeds the

needs of the college for large lecture hall student instructional stations as related to the size of the institution.

(4) Capital construction appropriation requests shall be based upon recognition of cost of reasonable construction standards and quality. Financial assistance in the acquisition of facilities will be provided only when sufficient education program need, demand, and potential exists. In preparing biennial budget appropriation requests for construction, the statutory amount provided in ORS 341.925 is to be altered by the amount necessary to adjust to current costs as indicated by changes in the college building cost index since the amount was last established or suitably revised.

44-015 STATE FUND PARTICIPATION

(1) Prerequisite to qualification for state capital construction funds, the community college shall:

(a) Provide a suitable site which has received State Board approval.

(b) Have on file a long-range master plan for development of the community college which has received State Board approval.

(c) Furnish evidence to the State Board of authority and ability to provide local matching funds and estimates of Federal Aid availability.

44-020 INSTITUTIONAL ELIGIBILITY FOR STATE FUNDS

Maximum construction fund eligibility of a community college is based upon projected FTE (Full-Time Equivalent) students as estimated for the second year of the biennium in the ten-year LONG-RANGE PLAN for that community college. The intent of the state to assume a

a financial obligation to the extent of 65 percent of approved construction costs is, in any biennial period, subject to legislative control and direction and limited by the projected FTE students remaining unhoused.

44-025 FEDERAL FUND ELIGIBILITY

The eligibility of a district for an allotment of state funds for providing community college plant facilities shall be a prerequisite to eligibility for a recommendation by the state agency for a federal grant to school or community college district for similar purposes.

44-035 ALLOCATION OF STATE CAPITAL CONSTRUCTION FUNDS

Legislative appropriation of construction funds will be distributed to the community colleges on a line-item allocation basis. Such allocations will take into consideration previously housed FTE as defined in section (g), subparagraph (c), subsection (1) of ORS 341.925 and forecasted FTE for the college as projected for the second year of the biennium for which the appropriation is made. It is the intent of the legislature that, as nearly as possible, an equalization of housed FTE be achieved. Actual disbursement of allocated construction funds will follow established administrative procedure.

44-040 THE RETIREMENT OF UNMET OBLIGATION

As construction project final costs are determined and the state's sixty-five (65) percent assumed project obligation is computed, a continuing record of UNMET OBLIGATION will be adjusted, taking into consideration the amount allocated to the project. Allocated funds to be disbursed to the community college during the first year of the biennium will be applied first to the outstanding UNMET OBLIGATION

that has accrued, and then to approved new construction.

44-045 FUND ALLOTMENT CONTROL

If the State appropriation for community college construction is reduced by authority of ORS 291.232 to 291.260, funds not yet allocated shall be subject to first review. Where project allocation has been made, actual disbursement is subject to the availability of funds through bond sale as well as allotment control when required by the Budget Division of the Executive Department.

44-055 SPACE (STANDARDS) GUIDELINES

State fund participation shall be limited to 65 percent of the cost to construct facilities which are in accordance with the space (standards) guidelines published by the Oregon State Department of Education.

44-060 APPROVAL OF SITE

The community college shall provide evidence that the district can make available a suitable site. An "APPLICATION FOR APPROVAL OF SITE" by a local district to the State Board of Education shall contain at least the following data for any site submitted for approval:

(1) The legal description of the site, designating the exact acreage and location.

(2) A description of easements or rights-of-way within or adjacent to the site.

(3) A sectional map of the geographical area to be served by the school showing: the exact location of the site, the exact outline of the site; highways and railroads - existing and proposed; travel radius circles showing 5, 10, 15, 20, 25, and 50 mile intervals from the center of the site and populated areas of the county or counties.

(4) A description of land contours and soil conditions, including the results of test borings.

(5) A description of the availability of: water supply, electricity and gas, sewerage and storm drainage, telephone, fire and police protection, garbage disposal, and public transportation. Specific information should be provided on availability of each, including any information such as distance to source of utilities, whether utilities are public or private, etc.

(6) A description and particulars of zoning regulations of the area adjacent to the site.

(7) A description of the businesses, industries, homes, etc., located in the adjacent area.

(8) The peak number of full-time-equivalent students estimated to be enrolled in the day program within a period of at least twenty-five years from the opening date of the college.

(9) A description of site access-egress possibilities.

44-065 LONG-RANGE PLAN

A long-range master plan for the development of the institution, written in conformance to Oregon State Department of Education guidelines, is required prior to approval of any application for state funds. Long-range master plans shall be revised every five (5) years.

44-070 EDUCATIONAL SPECIFICATIONS

(1) Educational specifications must accompany the preliminary building plans. They must be provided prior to or with an application for state construction funds.

The Educational Specifications documents shall, as a minimum, contain:

(1) A statement of philosophy, goals, and objectives used as a basis for planning each program and facilities to house the program.

(2) A description of who was involved in writing the educational specifications.

(3) A description of the community, projected student FTE and staff.

(4) A description of the overall organizational structure.

(5) The projected schedule which was used to determine the required student stations for the planned program day FTE students in both the LDC and vocational-technical programs. Include the day courses to be offered, the anticipated enrollment per section, and hours per week each section will require facilities for the programs offered.

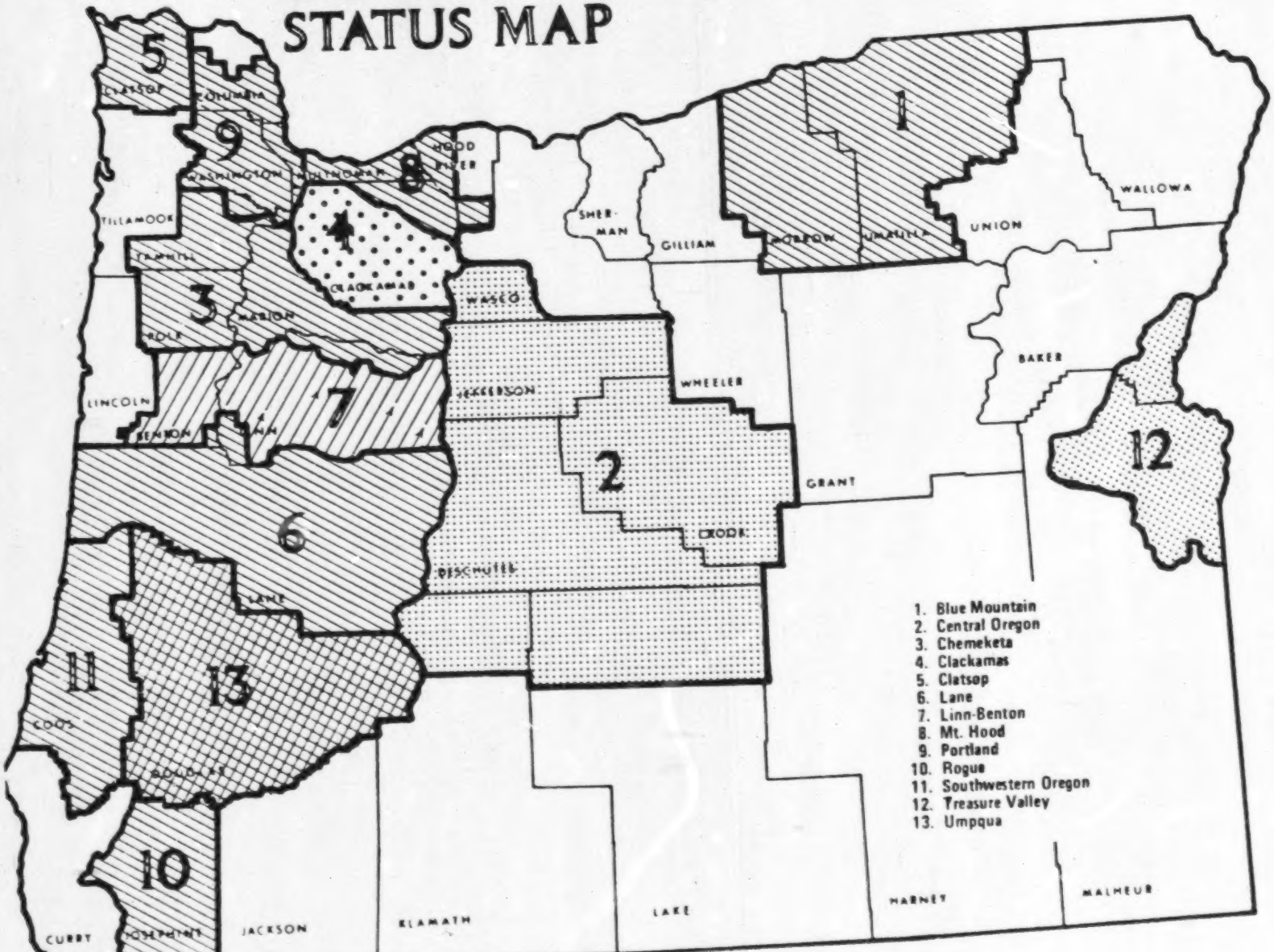
(6) Educational facility utilization proposed for each program to be offered which will detail the manner in which the utilization standards have been followed.

(7) Any site and building modifications required to meet program needs. Other needs to be detailed are: thermal, acoustical, visual, safety, sewage treatment, furniture, equipment, water quality, air quality, and space flexibility.

(8) A statement of the desired size of the various instructional groups, frequency of meeting, and function of each student grouping.

(9) A schedule for the project. This calendar should include the projected planning period, funding, site preparation, construction, and date of first use.

OREGON COMMUNITY COLLEGE STATUS MAP



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